



Paris Gold Symposium

A presentation by:
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A GOLD COMPANY FOR THE 21ST CENTURY

Thank you for the opportunity to address this Paris Gold Symposium. My presentation will focus on the strategies that have driven our company, AngloGold, since its creation some two and a half years ago.

In talking to you today, I would like to review the origins of AngloGold as a focused gold company and take you through what we believe has been a steady and progressive record of achievement. Looking forward, I would like to profile our strategy for growth and expansion in South Africa, Africa and elsewhere, and outline our market development activities, a new and ground-breaking activity for our company.

Central to the position of AngloGold today has been the redefinition of the company's global potential as a South African gold mining company. South Africa is the starting point of global production for our company and currently remains the largest part of our business.

As you might be aware, the performance of the gold mining industry in South Africa declined during the 1990s, and the competitiveness of gold production in our country deteriorated. The starting point of AngloGold's strategies for the future was the restoration of operational excellence in gold production in South Africa. Moving on from that foundation, our intention is to become a global gold company, with a diversity of country and operational risk, and playing a proactive role in improving the market for our product. We intend – and are well placed – to build AngloGold into a gold company for the 21st century, setting new operational standards for underground mining in South Africa and developing new areas of excellence outside of the African continent.



OUR ORIGINS

AngloGold was formed in June 1998 through a merger of the gold operations, mineral rights and exploration activities of the then Anglo American Corporation (AAC). The rationale for this consolidation was the need to offer investors a focused gold company with global growth potential and a simplified ownership structure.

Additional benefits included the diversification of operational risk, a reduction in costs through reducing operational overheads and sharing common services across operations. Finally, the creation of AngloGold brought into play a dedicated management team, independent and focused solely on the interests of the new company and its shareholders.

The World's Biggest Gold Company

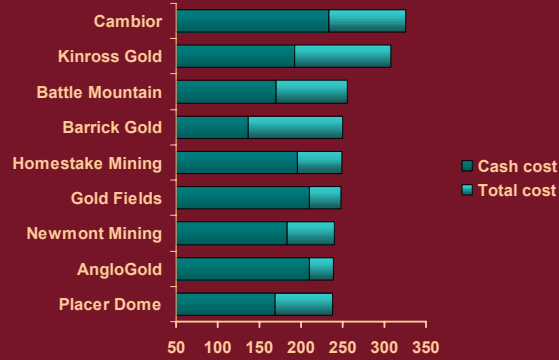


THE WORLD'S BIGGEST GOLD COMPANY

Immediately upon the consolidation, AngloGold became the world's largest gold company with some 7 million attributable ounces a year. The company has the most extensive reserves for future production at 140 million ounces or 20 years of current production. In addition, we have some 278 million ounces of resources. Our primary listing is on the Johannesburg Stock Exchange but the company is listed also on the London, Paris, Brussels, and New York Stock Exchanges. On 16 November, AngloGold listed on the Australian Stock Exchange and from early next year the company will be included on the Ordinary Share Index of that exchange.

Total Production Costs

Selected major gold producers



Source: World Gold Analyst, Sept 1999

TOTAL PRODUCTION COSTS

AngloGold now has amongst the lowest total costs of production of all major gold companies in the gold industry. For the quarter ended September 1999 we reported total operating costs of \$239 per ounce.

Global Operations



The World's Best Gold Company

Emphasis on:

- Growth
- Earnings, dividends



THE WORLD'S BEST GOLD COMPANY

From the outset, AngloGold's management understood very clearly that being the biggest producer of gold in the world would not in itself maximise returns to shareholders, or retain their interest, or – importantly – attract the interest of new investors. More critical than size was quality. We wanted to be the world's best gold company in the eyes of the global investing community, combining the best features of North American counters, with their emphasis on growth – with the best features of South African gold companies, with their strong emphasis on earnings and dividends.

Strategic Objectives in 1999

- Increase profit margins on present production
- Extend and enhance future reserves and resources
- Grow shareholder value
- Undertake gold market development on a number of fronts



1999 OBJECTIVES

In October last year, the management team of AngloGold developed strategic objectives that would drive the company into 1999 and beyond.

These are to:

increase profit margins on present production;

•extend and enhance future reserves and resources;

•grow shareholder value; and

•undertake gold market development on a number of fronts.

During this past year of tough market conditions, AngloGold has moved immediately to deliver on these and other new objectives. The characteristics that have defined AngloGold's strong performance during this period of difficult conditions has positioned us well for what might unfold in the market over the next twelve to eighteen months.

AngloGold's Financial Character

AngloGold's Primary Objective: Shareholder Wealth

- Focus shareholders' capital on value-creating activities and reduce exposure to risks that dilute shareholder returns
- Monitor activity to assess increases or decreases in economic value added (EVA®)
- This strategy currently delivers a real rate of return which is greater than our cost of capital



- FINANCIAL CHARACTER

The primary objective of AngloGold is to create wealth for its shareholders. To that end, we have concentrated our efforts on focusing our shareholders' capital on those activities that create value while seeking to reduce exposure to risks that dilute shareholders returns. In doing so, we actively monitor every activity of the company in the context of increasing or decreasing the economic value added (EVA) of the company's combined activities. We intend to operate our mines and sell our product so as to generate attractive returns for shareholders while minimising the volatility of earnings that has historically characterised the gold industry.

We currently deliver, on a total value added basis, a real rate of return of 12% per annum on total capital employed against an estimated 9% cost of capital.

AngloGold's Financial Character

The Company is a Strong Cash Generator

- **In 1998 AngloGold**
 - Generated US\$502m from operations
 - Re-invested US\$185m in three new South African mines
 - Paid shareholders US\$257m in dividends
- **In the first nine months of 1999 AngloGold**
 - Generated US\$487m from operations
 - Re-invested US\$146m in the business
 - Paid shareholders US\$145m in dividends (in respect of the first six months)



FINANCIAL CHARACTER

In securing improvements in the performance of AngloGold's operations, we have restored the company to its historical role as a strong cash generator. We can be financially characterised by our substantial reinvestment in new mine production and our relatively full payout policy.

In 1998 AngloGold:

- generated US\$502 million from operations;
- reinvested US\$185 million in three new South African mines; and
- paid our shareholders US\$257 million in dividends.

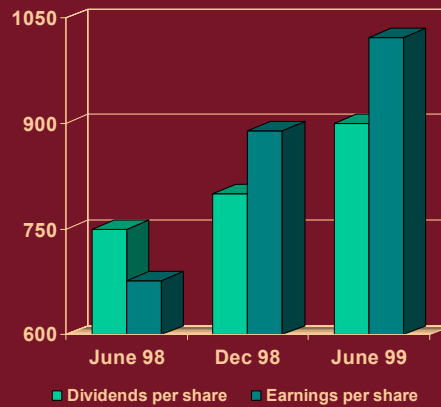
In the first nine months to September 1999, we:

- generated US\$487 million from operations
- re-invested US\$146 million in the business; and
- paid shareholders US\$145 million in dividends.

AngloGold's Dividend Policy

Dividend Policy

- AngloGold pays most of free cash flow to shareholders as dividends, after providing for the long-term growth of the company
- Dividends are paid semi-annually

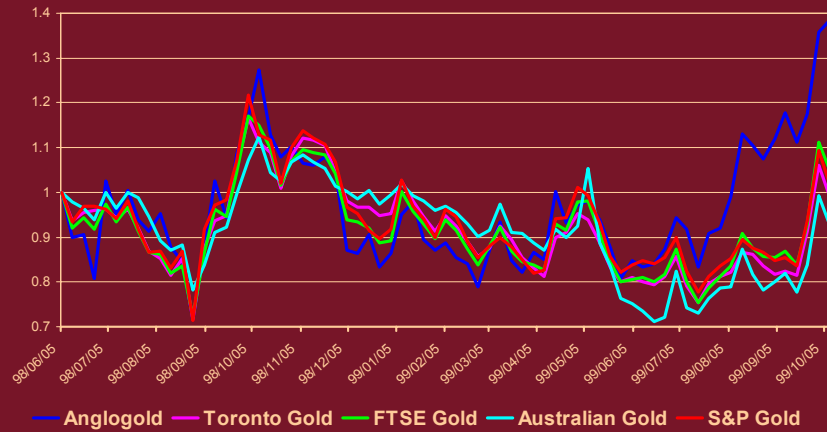


DIVIDEND POLICY

AngloGold's policy is to pay the majority of free cash flow to shareholders as dividends after providing for the long-term growth of the company. The company pays dividends semi-annually and has, in the 18 months of its existence paid three dividends.

AngloGold Share Price vs. International Indices

AngloGold (US cps)



SHARE PRICE PERFORMANCE

Illustrative of our success in growing shareholder value since we re-structured in June 1998, our shares have outperformed the major gold indices.

Operational Efficiencies

- Improved operational efficiencies
 - Labour productivity
 - Cost reduction

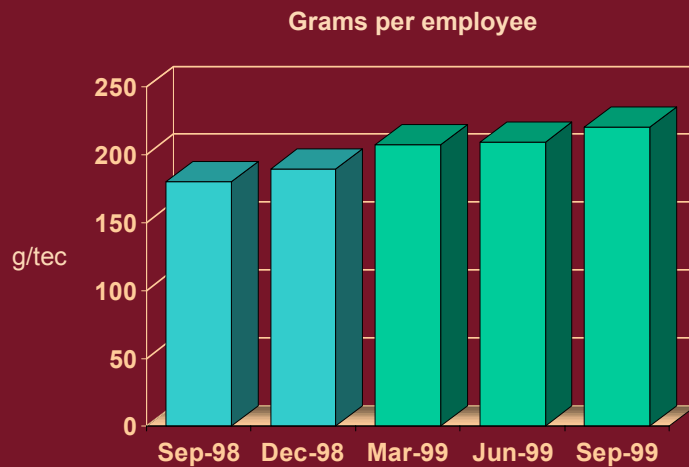


OPERATIONAL EFFICIENCIES

A key area of performance in achieving these results has been AngloGold's continuing focus on improved operational efficiencies.

The improvement in operational efficiencies has been achieved both in respect of labour productivity and absolute cost reduction.

Productivity Improvements



PRODUCTIVITY IMPROVEMENTS

Labour productivity at our operations has increased quarter on quarter since 1998. This index, measured in grams of gold produced per employee, improved from 209 in the June quarter to 220 for the September 1999 quarter.

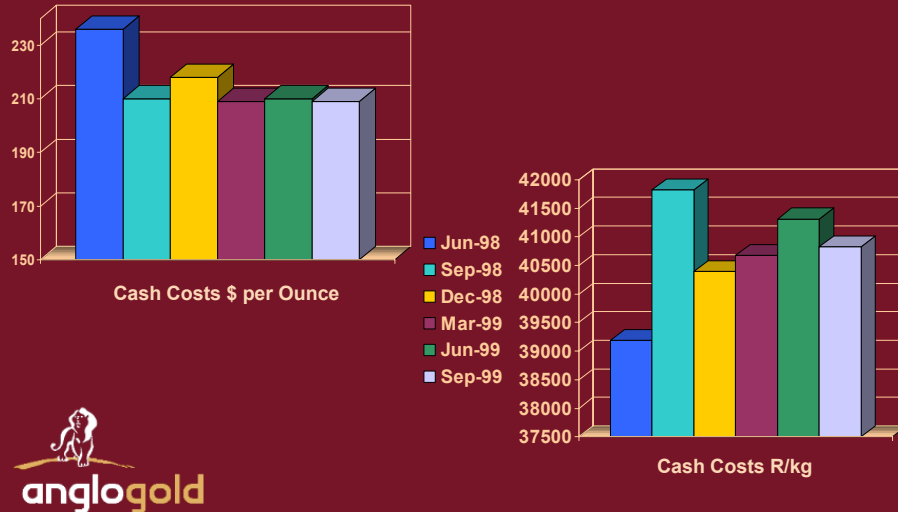
These accomplishments result from a long-term process of restructuring the traditional workplace organisation in our South African operations to improve employee productivity.

AngloGold has initiated a five-year programme to:

- eliminate functional illiteracy in our production workforce; we have budgeted to spend \$50 million on Adult Basic Education and Training on our mines;
- work for wage improvement deals, with the National Union of Mineworkers, linked to innovative productivity targets in order to keep labour costs down;

pursue innovations in safety practices along with the education and training targets; these innovations have already started with the launch of the 'zero tolerance' campaign against unsafe behaviour by managers, supervisors and employees in the workplace.

Cost Improvements



COST IMPROVEMENTS

Reflecting, in part, these early improvements in productivity, our results for the nine months ended September 1999 show cash costs of \$209 per ounce.

These consolidated cash costs mask a significant spread across our 21 mines. Nine of our operations have cash costs well below \$200 per ounce, with the lowest being Sadiola in Mali at \$108 per ounce for the half year. All of our North and South American operations have cash costs below \$200 per ounce. Amongst our major deep level gold mining operations in South Africa, Great Noligwa, which produces almost one million ounces per year has cash costs of \$137 per ounce. TauTona, at almost 700 000 ounces a year has a cash cost of \$163 per ounce.

Within our South African portfolio we do have older operations that have been almost fully amortised and are reaching the end of their lives, with cash costs in excess of \$200 per ounce. These operations are, however, all generating profit at the margin and are therefore contributing to AngloGold's total profit and return.

Acquisition Criteria

- Double-digit real rates of return
- 200 000 ounces of annual production
- 2 million ounce reserve/resource
- Cash costs below US\$200 per ounce



ENHANCING RESERVES AND RESOURCES

The challenge of growth for a company which is already the largest gold producer in the world is a very real one. Looking forward, the company needs to grow off a current production base of 7 million ounces a year and a reserve portfolio of some 140 million ounces, or 20 years of current production levels.

We believe that we will be able to find growth and replacement ounces through a combination of in-house exploration programmes, exploration joint ventures, the acquisition of late-stage exploration prospects and the outright acquisition of companies or existing operations. Importantly, we seek to acquire only those ounces that will add economic value to the company. Guidelines for acquisitions and projects arising from exploration include:

- double-digit real rates of return;
- potential for at least 200 000 ounces of annual production;
- reserves of at least 2 million ounces; and
- cash costs below US\$200 per ounce.



GLOBAL EXPLORATION

We are currently exploring in 10 countries – South Africa, Mali, Tanzania, Senegal, the Democratic Republic of the Congo, the United States, Brazil, Argentina, Peru and Ecuador.

AngloGold’s successful acquisition of the North and South American gold mining assets of Minorco Limited in late 1998 illustrates very clearly the type of benefits which we seek for AngloGold from such acquisitions. Besides spreading AngloGold’s technical, operational and country risks, these gold mining assets in the US, Brazil and Argentina have also:

- increased AngloGold’s annual production by almost one million ounces;
- reduced our cash cost profile; and
- increased our earnings and net asset value per share.

Acacia Bid

- Excellent platform for growth in Australia
- Meets our return criteria
- Assets are a value add
- AngloGold listing to be a meaningful entry into Australia
- Acacia will contribute to AngloGold's strength through diversity

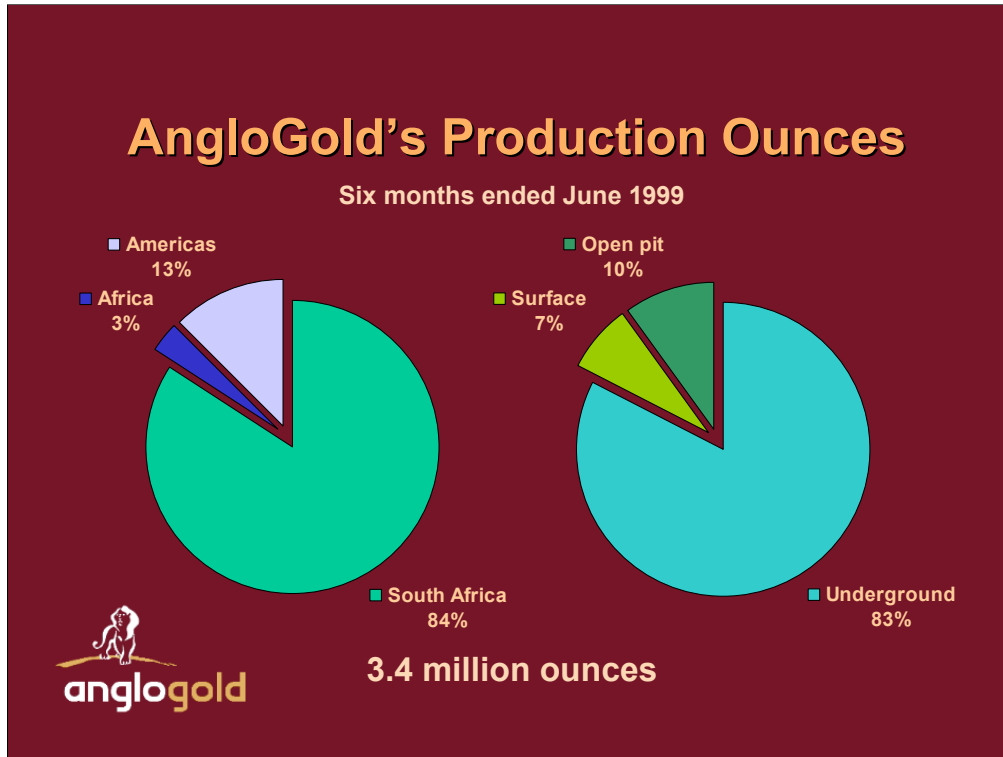


ACACIA BID

AngloGold evaluated the Acacia opportunity on the same basis as our Minorco acquisition, with the requirement of a real rate of return on the capital cost. Quite aside from some of the strategic advantages of such an acquisition, this is a group of properties that would add value and provide AngloGold with an excellent foundation in Australia.

The addition of Acacia's cost-effective production, with its good prospects, experienced exploration team and existing investor base will be an important step in making AngloGold the global gold investment of choice. Acacia shareholders now have an opportunity to become part of this global company at an attractive price.

We are serious in our intent to make AngloGold's recent listing on the Australian Stock Exchange a meaningful entry into that market, just as our New York listing last August has been for us in the United States.



PRODUCTION OUNCES

Besides conforming with our return targets, the offer for Acacia Resources has valuable implications for AngloGold, particularly in the area of operational risk. At the end of 1998, by far the majority of AngloGold's production was derived from deep level hard rock operations in South Africa. Since then, we have incorporated the North and South American gold mining assets of Minorco into our business. Should we be successful in our bid for Acacia, 23% of our projected 7,6 million ounces of production in 2000 will be sourced from outside of South Africa and 23% will come from open pit operations. As we grow our production profile, we will continue to improve the geographic and mining risk profile of the company.

At the heart of our growth strategy lies the intention to focus shareholders' capital on value-creating activities, be they exploration, ore body development, growth in low cost production, mergers and acquisitions, and downstream investment.

AngloGold's Market Development



MARKET DEVELOPMENT

As mentioned previously in this presentation, in 1999 we have broken new ground with a market development programme aimed at maintaining and improving the health of the market for our product, gold.

Our activities in the area of market development are based on a long-term commitment to the metal we produce, and a concern that the majority of the gold mining industry have neglected and continue to neglect their product in the market place. Less than 30% of gold producers today contribute to the health of the market for gold, and these do so largely through their membership and funding of the World Gold Council. Outside of the now limited activities of that organisation, our product is largely left to fight its own battles for the affections of consumers, with little help from the gold producers who annually place 2 500 tons of the metal onto the market.

We believe that this is an untenable position, particularly in developed markets where gold is obliged to compete in a consumer environment where huge amounts of promotional and advertising expenditure are applied to persuade the developed market consumer to prefer products which compete directly with gold. The success of the Platinum Guild in growing the demand for platinum demand in Japan and China should be a wake-up call to all of us in the gold industry, as platinum jewellery sales in Japan now exceed those of gold jewellery.

AngloGold's Marketing Objectives

- Improve off-take in gold
- Enhance image of gold
- Improve sentiment towards gold
- Expand applications for gold
- Expand our role in the gold market



MARKETING OBJECTIVES

In 1999 we targeted some US\$20 million for our market development expenditure. Of this, some \$9 million was set aside for our World Gold Council membership and the balance was made available for AngloGold's market development activities. Our broad objectives in market development are to:

- improve the off-take of gold
- enhance the image of gold
- improve sentiment towards gold, and
- expand applications for gold

In pursuit of these objectives, we have sponsored a number of gold jewellery design competitions in various markets, including Asia, India, Turkey and South Africa. We have recently announced the launch of a global gold design competition, the Gold Virtuosi, which is jointly sponsored by AngloGold, the WGC and the Vicenza Fair. These competitions seek to stimulate gold design excellence and innovation, without which we cannot hope to continually improve gold jewellery demand.

AngloGold's market development strategy also involves a continuing engagement with partners in China to enhance the official sector attitude towards gold in China and to promote the de-regulation of the Chinese market. We are pursuing consumer research in developed markets in order to identify new opportunities for positioning gold jewellery for new generations of consumers. We are investigating and pursuing new avenues for offering gold to the modern consumer both at the branded life-style end of the market, and at the value-for-money end of the market.

By early next year we will have taken some further steps in developing a number of these initiatives, and we look forward to a growing, effective and value-generating role for the company in the market for gold.

AngloGold into the New Millennium

- Continue the restructuring of South African operations
- Focus on research and development for new technology and applications
- Continue searching for value enhancing acquisition opportunities
- Expand global exploration programme
- Expand market development initiatives
- Focus on continued growth in earnings for enhanced shareholder rewards



CONCLUSION

As we advance towards the new millennium AngloGold intends to:

- continue the restructuring of its South African operations, with a view to enhanced management focus, health and safety, cost containment, and improved productivity;
- focus on research and development in an effort to seek appropriate technology for a 21st century workplace, including breaking rock in new ways, taking people away from mining risk and innovative developments in gold metallurgy;
- continue the search for acquisition opportunities, using double-digit real return criteria, with the focus on mining risk diversification and growth in our production machine;
- expand global exploration programme;
- expand market development initiatives; and
- focus on continued growth in earnings and top down EVA management analysis, for enhanced shareholder reward.

We are a company that is determined to lead in all aspects of the gold business, from mining our product to marketing it. We believe that our company can become the leading long-term investment vehicle in the gold business, characterised by both company growth and attractive returns, and by a long-term commitment to our product, gold.



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